



ASIA VETS HOLDINGS LTD.
(Formerly known as Smartflex Holdings Ltd.)
(Company Registration No: 201003501R)

**UNAUDITED HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF COMPREHENSIVE INCOME

	Company⁽¹⁾		
	Six months ended		Increase /
	30/06/2018	30/06/2017	(decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Other income	64	62	3
Administrative expenses	(864)	(334)	159
Loss before tax	(800)	(272)	194
Income tax expense	-	-	-
Loss for the period, net of tax	(800)	(272)	194
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income attributable to owners of the Company	(800)	(272)	194
Loss per share (in S\$ cents)			
Basic and diluted	(0.63)	(0.22)	

Note:

(1) The Company does not have any subsidiaries as at 30 June 2018 and 2017, as the Company had disposed all of its subsidiaries on 20 July 2016.

1(a)(ii) Notes to statement of comprehensive income

The Company's loss before taxation is arrived at after crediting:

	Company			Note
	Six months ended		Increase /	
	30/06/2018	30/06/2017	(decrease)	
	S\$'000	S\$'000	%	
	(Unaudited)	(Unaudited)		
Interest income	61	61	-	
Government grants - TEC related	3	1	200	
Professional fees	(508)	(90)	464	(a)

Note:

- (a) Increase in professional fees was mainly due to recognition of professional fees amounting to S\$0.5 million incurred for the proposed acquisition by the Company of the entire issued and paid-up share capital of AVH Animal Ark Pte. Ltd. (formerly known as Asia Vets Holdings Pte. Ltd.) (the "**Proposed Acquisition**"), details as set out in the circular to shareholders of the Company dated 29 June 2018.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Company⁽¹⁾	
	As at	
	30/06/2018	31/12/2017
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current assets		
Other receivables	-	301
Prepayments	-	3
Cash and bank deposits	46	748
Restricted deposits	17,623	17,291
	<u>17,669</u>	<u>18,343</u>
Total assets	<u>17,669</u>	<u>18,343</u>
Current liabilities		
Other payables and accruals	578	452
	<u>578</u>	<u>452</u>
Net current assets	<u>17,091</u>	<u>17,891</u>
Total liabilities	<u>578</u>	<u>452</u>
Net assets	<u>17,091</u>	<u>17,891</u>
Share capital	17,971	17,971
Revenue reserve	(880)	(80)
Total equity	<u>17,091</u>	<u>17,891</u>
Total equity and liabilities	<u>17,669</u>	<u>18,343</u>

Note:

- (1) The Company does not have any subsidiaries as at 30 June 2018 and 2017, as the Company had disposed all of its subsidiaries on 20 July 2016.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Following the disposal of all of its subsidiaries on 20 July 2016, the Company does not hold any borrowings and debt securities as at 31 December 2017 and 30 June 2018.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CASH FLOWS

	Company⁽¹⁾	
	Six months ended	
	30/06/2018	30/06/2017
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Loss before tax	(800)	(272)
Adjustments for:		
Interest income	(61)	(61)
Unrealised exchange loss	-	1
Operating cash flows before working capital changes	(861)	(332)
Decrease in other receivables	301	-
Decrease in prepayments	3	4
Increase/(decrease) in other payables and accruals	125	(50)
Cash used in operations	(432)	(378)
Interest received	61	62
Net cash flows used in operating activities	(371)	(316)
Cash flows from investing activities		
Proceeds from consideration receivable from disposal of subsidiaries	301	-
Placement of restricted deposits	(633)	(54)
Net cash flows used in investing activities	(332)	(54)
Cash flows from financing activity		
Dividends paid	-	(1,264)
Net cash flows used in financing activity	-	(1,264)
Net decrease in cash and cash equivalents	(703)	(1,634)
Cash and cash equivalents at beginning of period	748	2,722
Effect of exchange rate changes on cash and cash equivalents	-(2)	(1)
Cash and cash equivalents at end of period	46	1,087

Notes:

- (1) The Company does not have any subsidiaries as at 30 June 2018 and 2017, as the Company had disposed all of its subsidiaries on 20 July 2016.
- (2) Less than S\$500.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Share capital	Revenue reserves	Foreign Currency translation reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2018	17,971	(80)	-	17,891
Loss for the period, representing total comprehensive income for the period	-	(800)	-	(800)
Total comprehensive income for the period	-	(800)	-	(800)
Closing balance at 30 June 2018	17,971	(880)	-	17,091
Opening balance at 1 January 2017 (Restated)	17,971	2,545	(437)	20,079
Effect of change in functional currency	-	(437)	437	-
	17,971	2,108	-	20,079
Loss for the period, representing total comprehensive income for the period	-	(272)	-	(272)
Total comprehensive income for the period	-	(272)	-	(272)
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 1)	-	(1,264)	-	(1,264)
Total transactions with owners in their capacity as owners	-	(1,264)	-	(1,264)
Closing balance at 30 June 2017	17,971	572	-	18,543

Note 1:

Final tax-exempt (one-tier) dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2016 was paid on 12 May 2017.

Save for the foregoing, there were no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no movement in the Company's share capital since the end of the previous financial year.

The Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30 Jun 2018	As at 31 Dec 2017
Total number of issued shares	126,440,002	126,440,002
Treasury shares	Nil	Nil

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's independent auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Company has applied the same accounting policies and methods of computation in the unaudited financial statements for the six months period ended 30 June 2018 as in the Company's most recent financial statements for the financial year ended 31 December 2017, except for the adoption of the new and revised Financial Reporting Standards (FRS) which are effective beginning 1 January 2018.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Company has adopted the new and revised FRSs which are effective beginning 1 January 2018. The adoption of the new and revised FRSs did not result in any material impact on the Company's financial statements for the six months period ended 30 June 2018.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Loss per Share ("LPS")

	Company	
	Six months ended	
	30/06/2018	30/06/2017
Loss attributable to owners of the Company (S\$'000)	(800)	(272)
Basic loss attributable to owners of the Company (S\$ cents)	(0.63)	(0.22)
Fully diluted LPS (S\$ cents)	(0.63)	(0.22)
Weighted average number of ordinary shares outstanding	126,440,002	126,440,002

Basic LPS was computed by dividing loss attributable to owners of the Company for the respective financial periods by the weighted average number of ordinary shares outstanding as at the end of the respective financial periods.

Fully diluted LPS for the respective financial periods were the same as the basic LPS as the Company does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial periods.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net Asset Value ("NAV")

	Company	
	As at	
	30/06/2018	31/12/2017
NAV per ordinary share (S\$ cents)	13.52	14.15
Number of ordinary shares outstanding	126,440,002	126,440,002

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of Comprehensive Income

The Company is deemed a cash company under Rule 1017 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules") upon the completion of the disposal of all of its subsidiaries to Novoflex Pte. Ltd (the "Disposal") on 20 July 2016.

For the six months ended 30 June 2018 ("1H2018"), other income of approximately S\$64,000 comprised mainly interest income earned from the Company's escrow account and government grant received under the Temporary Employment Credit ("TEC") scheme.

Administrative expenses, which are the Company's only operating costs, increased from S\$0.3 million for the six months ended 30 June 2017 ("1H2017") to S\$0.9 million for 1H2018. The increase was mainly attributable to the increase in professional fees incurred for the Proposed Acquisition.

As a result of the above, the Company recorded a loss after tax for 1H2018 of S\$0.8 million.

Statement of Financial Position

Following the completion of the Disposal, the Company did not have any non-current assets or non-current liabilities as at 31 December 2017 and 30 June 2018.

The Company's current assets as at 30 June 2018 of S\$17.7 million comprised only cash and bank deposits as well as restricted deposits in the Company's escrow account.

The Company's current liabilities as at 30 June 2018 relate only to other payables and accruals, which comprised mainly directors' fees, staff payroll and professional fees. It increased from S\$0.5 million as at 31 December 2017 to S\$0.6 million as at 30 June 2018 mainly due to professional fees payable for services received during 1H2018 for the Proposed Acquisition.

The Group reported a positive working capital position of S\$17.1 million as at 30 June 2018, as compared to S\$17.9 million as at 31 December 2017.

The Company's total equity decreased from S\$17.9 million as at 31 December 2017 to S\$17.1 million as at 30 June 2018 due to the loss incurred for 1H2018.

Statement of Cash Flows

Net cash flows used in operating activities was approximately S\$0.4 million in 1H2018 mainly due to administrative expenses incurred, which relate mainly to professional fees incurred for the Proposed Acquisition.

Net cash flows used in investing activities of S\$0.3 million in 1H2018 was due to the placement of restricted deposits of S\$0.6 million in the Company's escrow account, partially offset by the receipt of the retention sum of S\$0.3 million in respect of the Disposal during 1H2018.

There was no cash flow movement for financing activities in 1H2018.

As a result of the above, the Company's cash and cash equivalents decreased from S\$0.7 million as at 31 December 2017 to approximately S\$46,000 as at 30 June 2018.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As announced on 11 September 2017, the Company had entered into a conditional sale and purchase agreement (the “SPA”) with Hu Zhi Investments Limited and David Wendyl Karl Jenkins in respect of the Proposed Acquisition upon the terms of and subject to the conditions of the SPA.

The Proposed Acquisition is an opportunity that the Board believes will maximise value for the Company’s shareholders and is in line with the Company’s long-term growth strategy to expand its business through additional mergers and acquisitions in the veterinary industry in Singapore and beyond.

On 12 July 2018, the Company announced that the SGX-ST had no objections to granting the Company a further 2-month extension of time from 19 July 2018 to 19 September 2018 for the Company to complete the Proposed Acquisition and meet the requirements for a new listing under Rule 1017(2) of the Catalist Rules.

The Proposed Acquisition had been approved by the Company’s shareholders in the extraordinary general meeting held on 26 July 2018 and is expected to be completed in August 2018, subject to, *inter alia*, numerous conditions precedent being fulfilled.

The Company will make the relevant announcements as and when necessary in due course.

11 Dividend

(a) Current financial period reported on
Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for 1H2018.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for IPTs and there were no IPTs entered into in 1H2018.

14 Negative confirmation pursuant to Rule 705(5) of the Catalist Rules of the SGX-ST (Not required for announcement on full year results)

We, Tan Tong Guan and Teo Yi Dar, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements of the Company for 1H2018 to be false or misleading in any material aspect.

15 Confirmation pursuant to Rule 720(1) of the Catalist Rules of the SGX-ST

The Company confirms that it has procured the required undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Tan Tong Guan
Executive Chairman & CEO

2 August 2018